

Representative Jim Fannin
Chairman



Representative Simone Champagne
Vice Chairman

FY 14-15 Executive Budget Review
DEPARTMENT OF ENVIRONMENTAL QUALITY

House Committee on Appropriations
by the House Fiscal Division
March 31, 2014



Agenda

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Department Structure

Office of the Secretary

- Executive Administration
- Business, Community Outreach and Incentives

Office of Environmental Compliance

- Enforcement Division
- Assessment Division
- Inspection Division
- Underground Storage Tank and Remediation Division

Office of Environmental Services

- Public Participation and Permit Support Services Division
- Air Permits Division
- Water Permits Division
- Waste Permits Division

Office of Management and Finance

- Support Services
- Financial Services



Comparison to Total State Budget FY 14-15

Means of Finance	Department of Environmental Quality	Total State Budget	% of Total State Budget
State General Fund	\$495,377	\$8,617,600,000	0.0%
Interagency Transfers	\$1,073,300	\$1,767,132,013	0.1%
Fees and Self-Gen. Rev.	\$105,000	\$3,861,523,669	0.0%
Statutory Dedications	\$104,736,046	\$4,065,764,569	2.6%
Federal Funds	\$22,095,899	\$9,886,615,632	0.2%
TOTAL MOF	\$128,505,622	\$28,198,635,883	0.5%
Authorized Positions	691	53,109	1.3%



Means of Finance

Means of Finance	Actual Expenditures FY 12-13	Existing Operating Budget FY 13-14 (12/1/13)	Executive Budget Recommended FY 14-15	Change from FY 13-14 to FY 14-15	Percent Change from FY 13-14 to FY 14-15
State General Fund	\$484,712	\$495,377	\$495,377	\$0	0.0%
Interagency Transfers	\$1,404,612	\$2,251,869	\$1,073,300	(\$1,178,569)	(52.3%)
Fees and Self-Gen Rev	\$30,359	\$105,000	\$105,000	\$0	0.0%
Statutory Dedications	\$81,497,565	\$97,783,139	\$104,736,046	\$6,952,907	7.1%
Federal Funds	\$17,385,767	\$22,789,400	\$22,095,899	(\$693,501)	(3.0%)
TOTAL	\$100,803,015	\$123,424,785	\$128,505,622	\$5,080,837	4.1%
Authorized Positions	762	700	691	(9)	(1.3%)

Significant Adjustments

Interagency Transfers

- Non-recur Deepwater Horizon expenditures

\$1.18M



Statutory Dedications

- Net increase in statewide performance, retirement, and salary base rate adjustments

\$6.95M



Federal Funds

- Means of Financing substitution to replace Federal Funds with various statutory dedication funds

\$693,501



Authorized Positions

- Eliminates 2 vacancies in Office of Secretary, 4 in Environmental Compliance, and 3 in Environmental Services

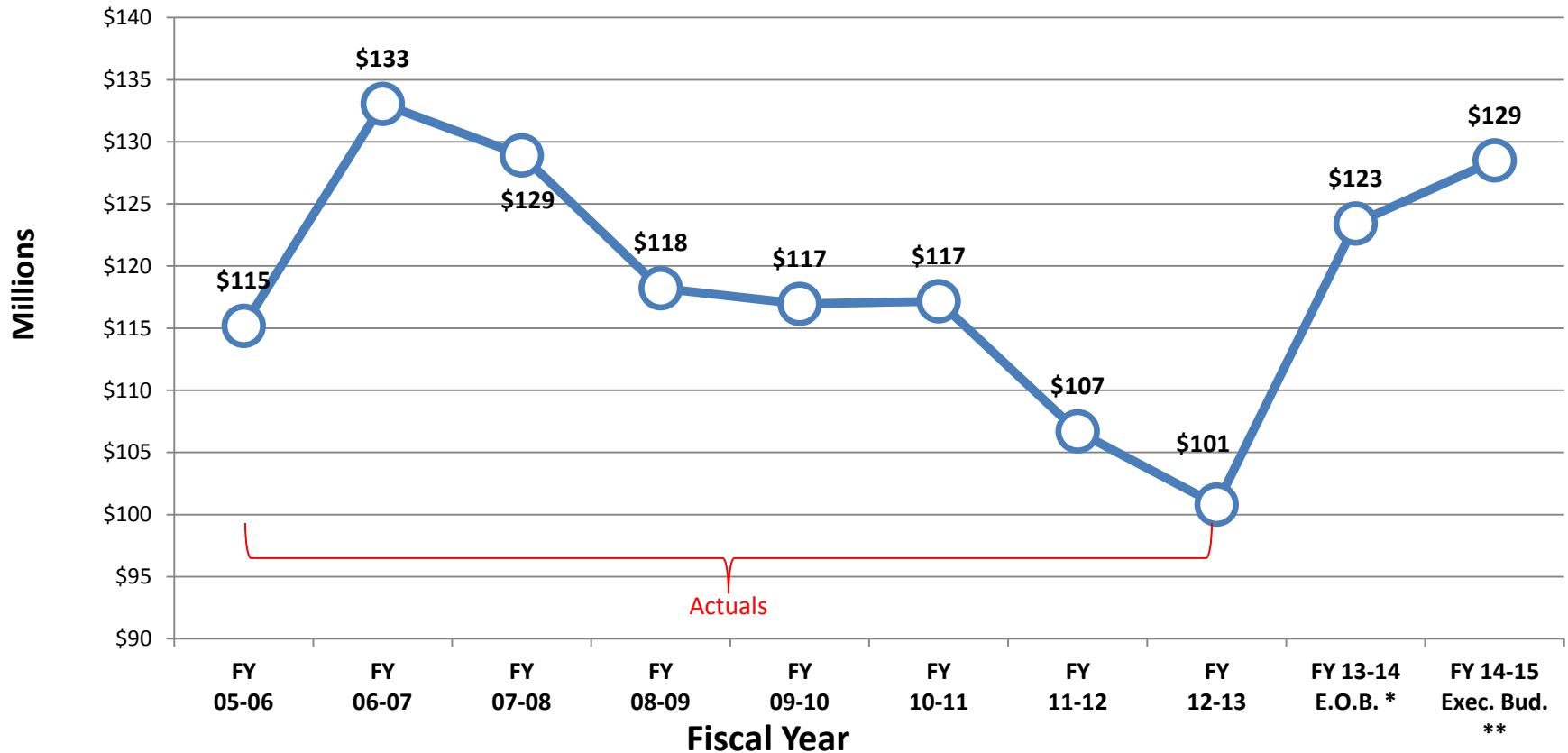
9 T.O.s





10-Year Budget History

DEPARTMENT OF ENVIRONMENTAL QUALITY (Total Funding)



Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/13

**Governor's Executive Budget Recommendation



Major Sources of Revenues FY 14-15

Interagency Transfers - \$1.1 Million

- Hurricane Demolitions
- Seafood Safety

Statutory Dedications - \$104.7 Million

- | | |
|-------------------------------------|-----------|
| • Environmental Trust Fund | \$ 62.7 M |
| • Motor Fuels Fund | \$ 24.4 M |
| • Waste Tire Management Fund | \$ 11.2 M |
| • Hazardous Waste Site Cleanup Fund | \$ 3.8 M |
| • Clean Water State Revolving Fund | \$ 2.3 M |

Federal Funds - \$22.1 Million

- | | |
|--|------------|
| • Environmental Protection Agency (EPA) | |
| • Louisiana Clean Diesel Grant | \$.25 M |
| • Water Pollution Control Grant | \$ 12.18 M |
| • Air Pollution Grant | \$ 3.13 M |
| • Leaking Underground Storage Tank Grant | \$ 6.47 M |
| • U.S. Department of Energy | |



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Expenditure Breakdown

Expenditures	FY 12-13 Actual Expenditures	FY 13-14 Existing Operating Budget (12/1/13)	FY 14-15 Executive Budget Recommendation	Change from FY 13-14 to FY 14-15	Percent Change from FY 13-14 to FY 14-15
Salaries	\$40,647,767	\$37,281,771	\$38,312,646	\$1,030,875	2.8%
Other Compensation	\$159,444	\$251,043	\$251,043	\$0	0.0%
Related Benefits	\$17,977,419	\$17,354,589	\$22,064,074	\$4,709,485	27.1%
Travel	\$367,425	\$500,163	\$308,163	(\$192,000)	(38.4%)
Operating Services	\$3,003,698	\$3,592,296	\$3,582,296	(\$10,000)	(0.3%)
Supplies	\$972,964	\$1,026,105	\$1,036,544	\$10,439	1.0%
Professional Services	\$3,039,250	\$4,141,191	\$4,141,191	\$0	0.0%
Other Charges	\$34,308,360	\$59,135,329	\$58,556,208	(\$579,121)	(1.0%)
Acq/Major Repairs	\$326,688	\$142,298	\$253,457	\$111,159	78.1%
Unallotted	\$0	\$0	\$0	\$0	0.0%
TOTAL EXPENDITURES	\$100,803,015	\$123,424,785	\$128,505,622	\$5,080,837	4.1%

Salaries/Related Benefits

- Increasing despite the elimination of 9 authorized positions because of increases in performance adjustments, retirement rate adjustments, salary base adjustments, and employer insurance rate adjustments

Other Charges

- Non-recurs Deepwater Horizon expenditures

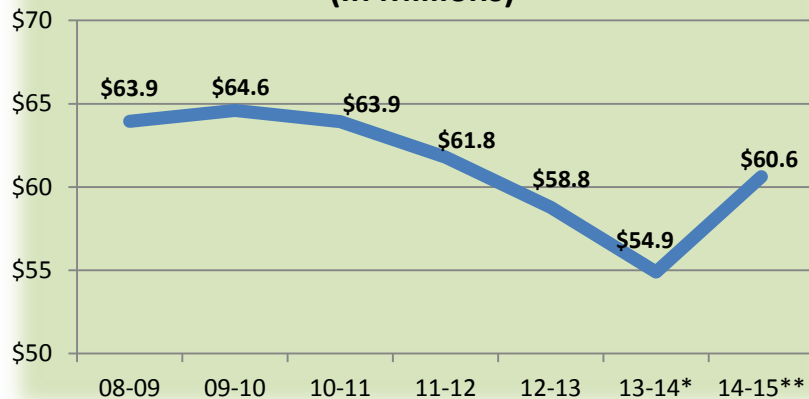
Acquisitions/Major Repairs

- Non-recurs replacement vehicles

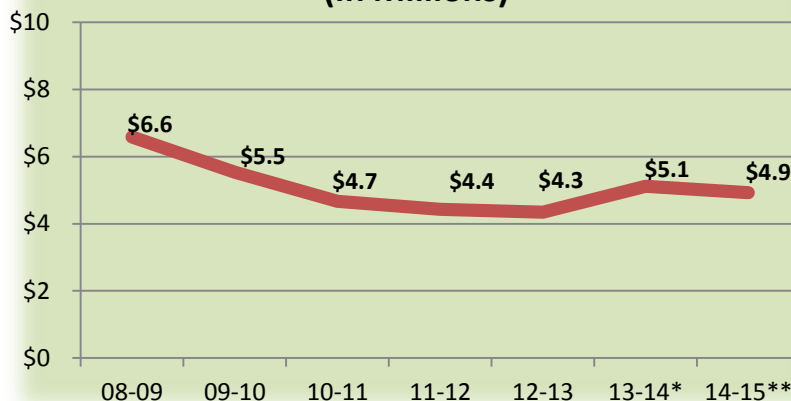


7-Year Expenditure History

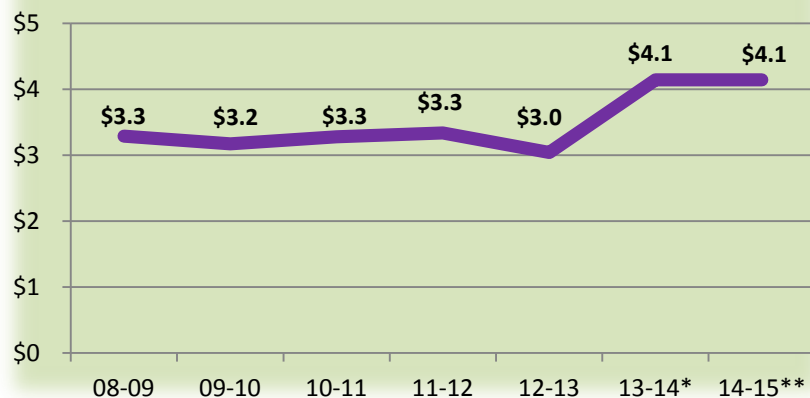
Personal Services (In Millions)



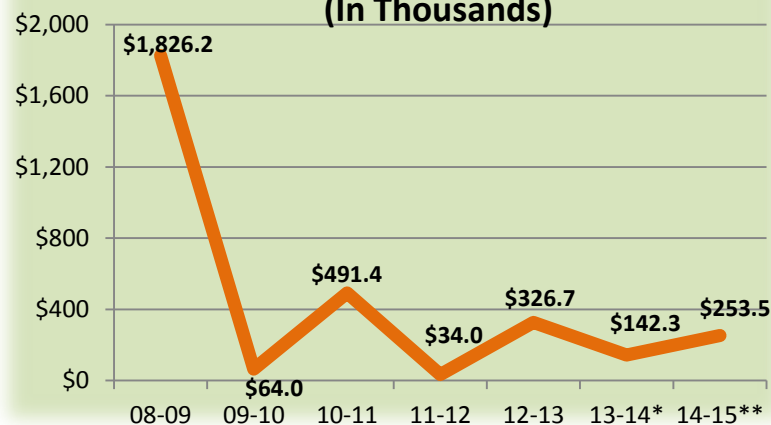
Operating Expenses (In Millions)



Professional Services (In Millions)



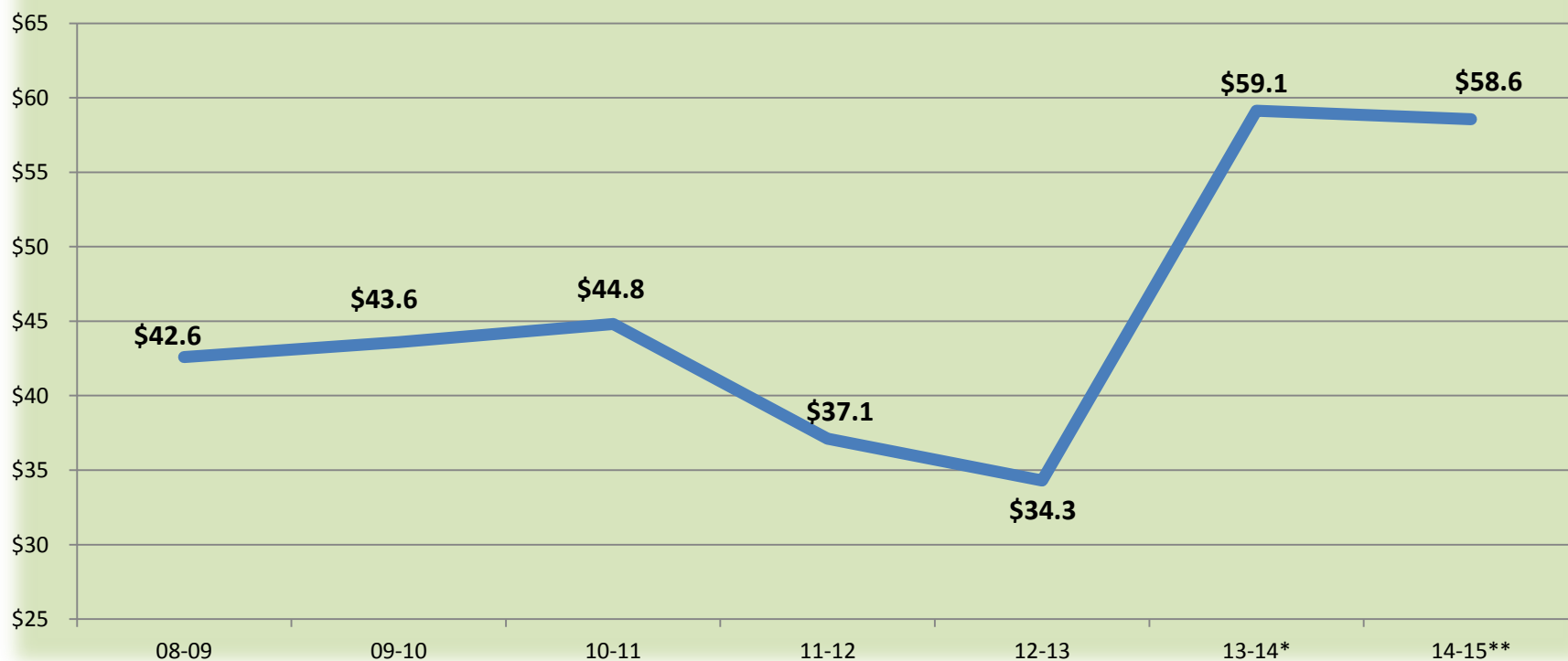
Acquisitions & Major Repairs (In Thousands)





7-Year Expenditure History (in millions)

Other Charges (In Millions)



Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/13

**Governor's Executive Budget Recommendation



Significant Adjustments

\$5.1 M
SD



Net increase of \$5,080,837 in total funding primarily due to an increase in Personal Services. (\$373,610 in the Office of the Secretary, \$1,608,255 in the Office of Environmental Compliance, \$1,359,474 in the Office of Environmental Services, and \$2,399,021 in the Office of Management & Finance)

\$1.1 M
IAT



Non-recurs expenditures from BP funds in the Office of Environmental Compliance associated with the Deepwater Horizon oil spill disaster.

\$500,000
SD



Non-recurs funds from the statutorily dedicated Brownfields Revolving Loan Fund in the Office of Environmental Compliance. Loans were provided to private entities for the expansion, redevelopment, or reuse of properties complicated by the presence or potential presence of hazardous substances, pollutants, or contaminants. DEQ expended the program's remaining funds in FY 14.

\$272,013
SD



Annualization of Executive Order BJ 14-1 Hiring Freeze for 3 positions. (1 each in the Office of the Secretary - \$97,780; in the Office of Environmental Compliance - \$89,583; and in the Office of Environmental Services - \$84,650)



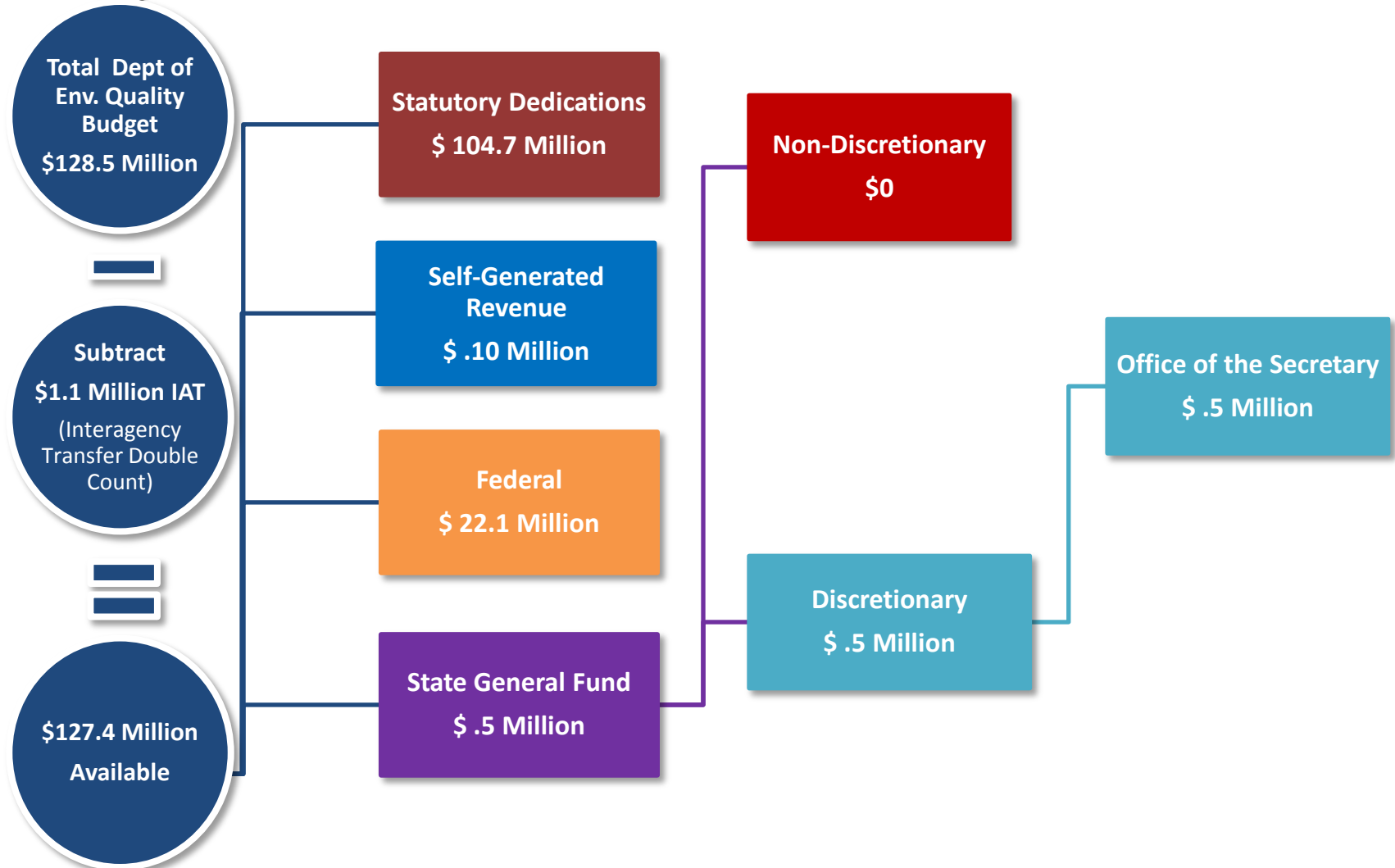
Discretionary/Nondiscretionary Funding in FY 14-15 Executive Budget

Programs	TOTAL FUNDING - \$128,505,622		STATE GENERAL FUND - \$495,377	
	Discretionary	Non-Discretionary	Discretionary	Non-Discretionary
Office of the Secretary	\$ 9,694,380	\$ 3,000,000	\$ 495,377	
Office of Environmental Compliance	\$ 41,478,297	\$ 95,323		
Office of Environmental Services	\$15,998,558	\$ 520,000		
Office of Management and Finance	\$ 50,199,331	\$ 7,519,733		
TOTAL	\$ 117,370,566	\$ 11,135,056	\$ 495,377 *	\$ 0

* The discretionary State General Fund in DEQ's budget is **.002809%** of the total discretionary State General Fund recommended for FY 14-15.



Discretionary/Nondiscretionary Funding in FY 14-15 Executive Budget





Salaries and Positions

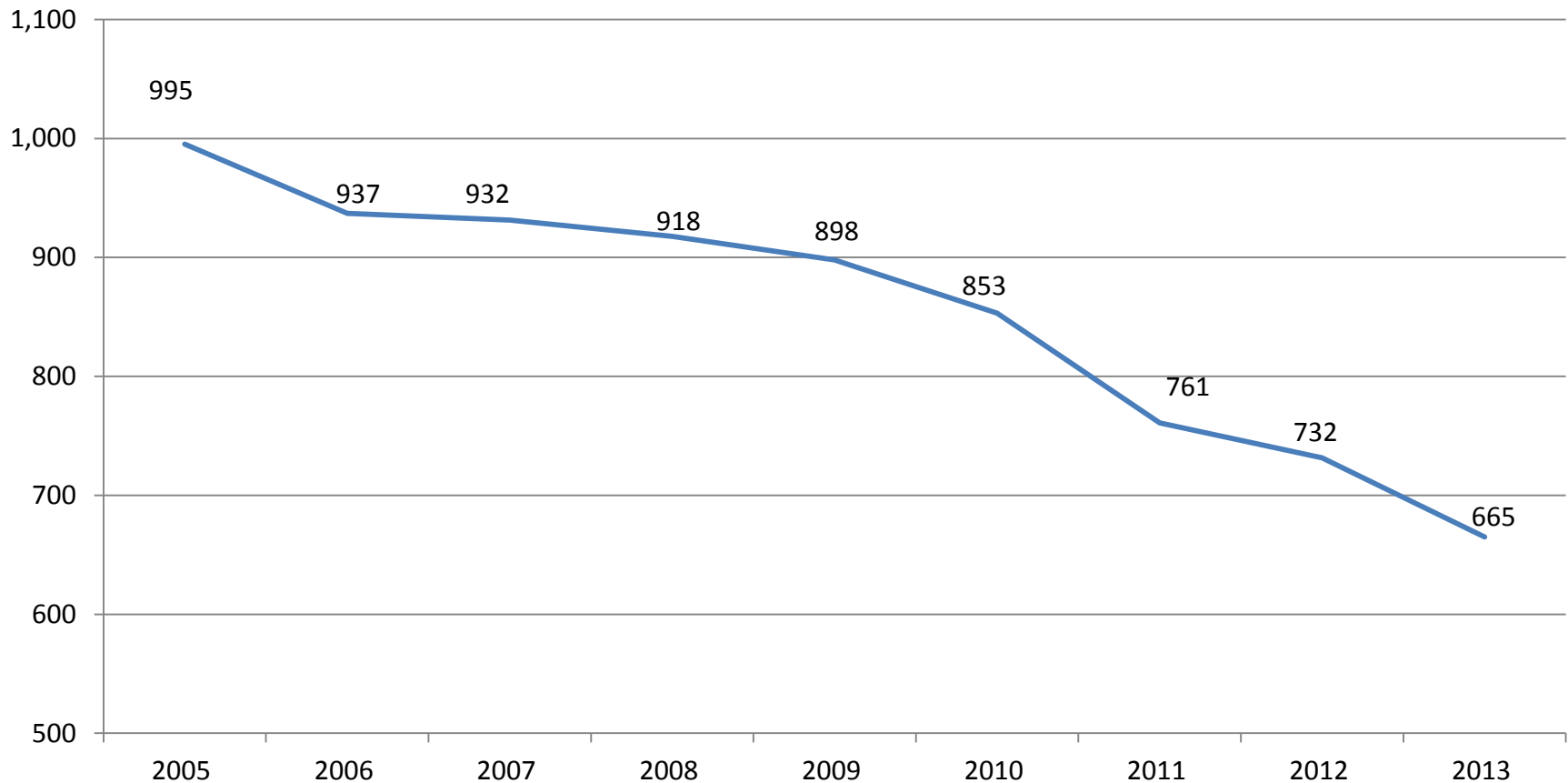
FY 14-15 SALARIES/POSITIONS

- \$38.5 million for Salaries and Other Compensation
- \$22.1 million for Related Benefits
- Total Personnel Services = \$60.6 million; 86.7% of the Department of Environmental Quality's total Executive Budget Recommendation (excluding Other Charges)
- 691 Authorized Positions (682 classified and 9 unclassified)
- 0 full-time non-T.O. positions
- 0 Other Charges positions
- As of 12/27/2013, the Department of Environmental Quality had 38 vacancies. The Executive Budget eliminates 9 of those vacant positions.



Salaries and Positions

TOTAL FULL-TIME EQUIVALENT (FTE) POSITIONS

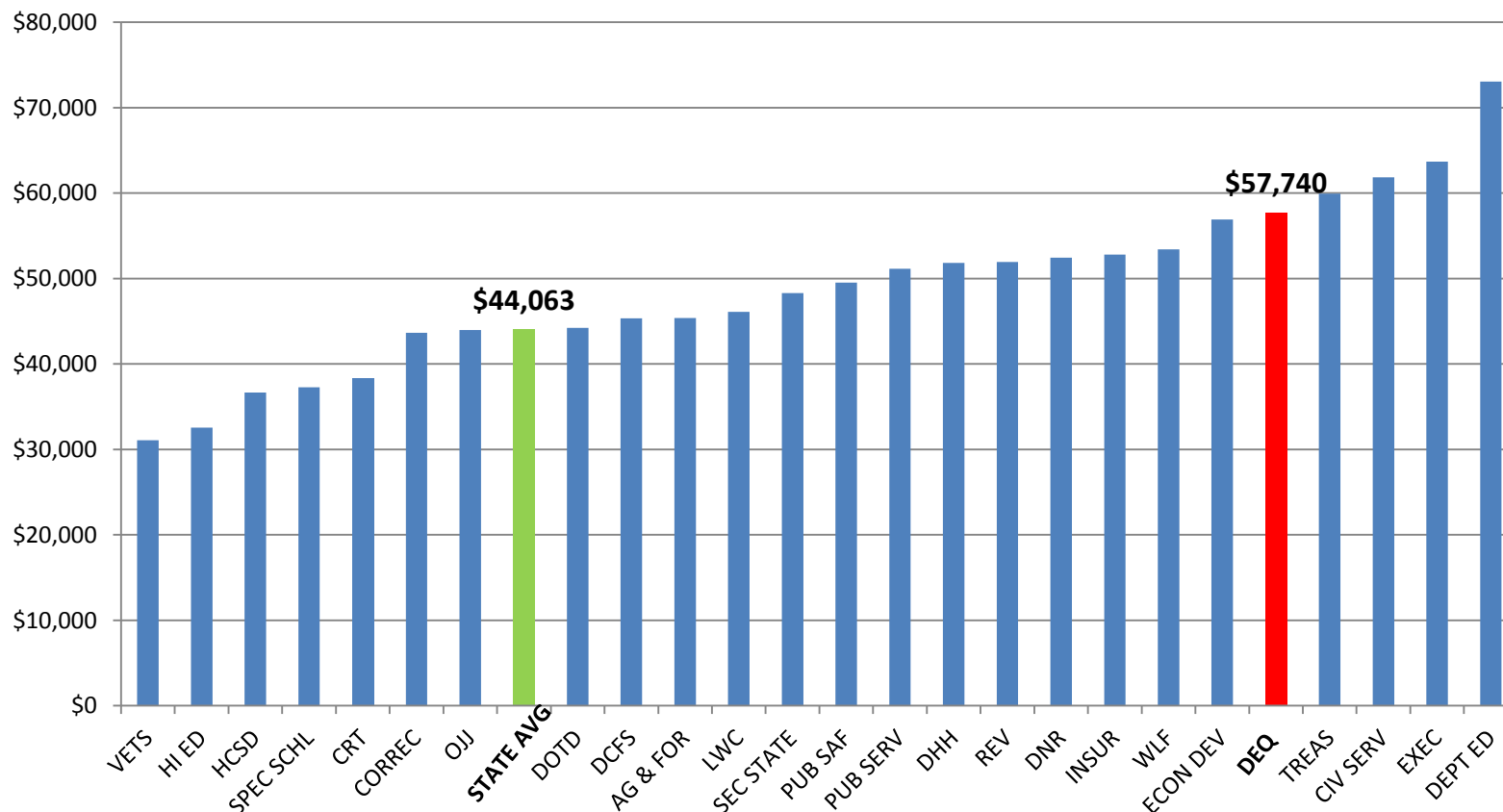


Source: Prepared by House Fiscal Division staff using information from ISIS-HR



Salaries and Positions

FY 13 CLASSIFIED AVERAGE ANNUAL PAY PER FTE

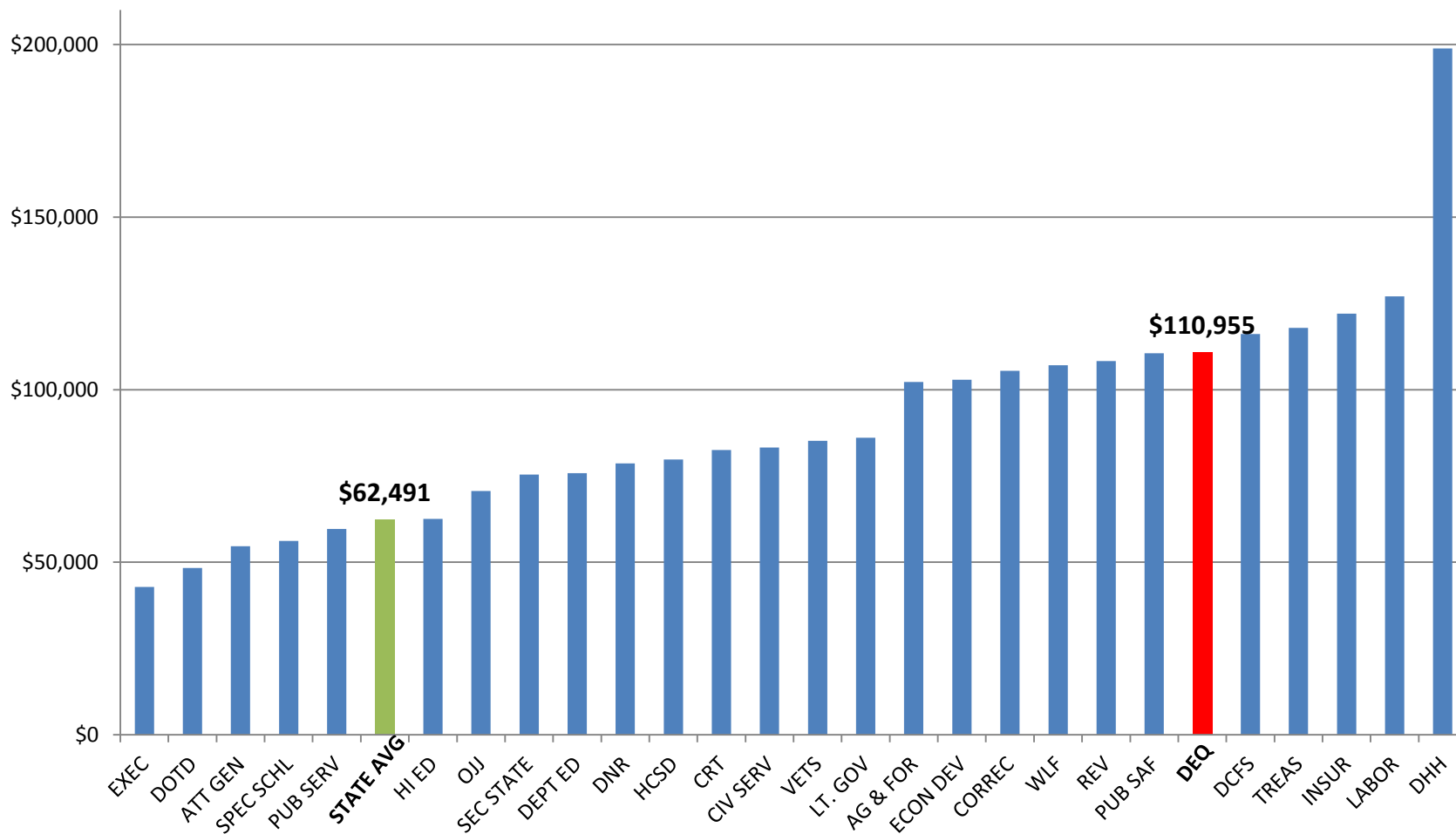


Source: Prepared by House Fiscal Division staff using information from ISIS-HR and Civil Service



Salaries and Positions

FY 13 UNCLASSIFIED AVERAGE ANNUAL PAY PER FTE



Source: Prepared by House Fiscal Division staff using information from ISIS-HR and Civil Service



Department Contacts

Name	Title	Phone Number
Peggy Hatch	Secretary	225-219-3950
Vince Sagnibene	Undersecretary	225-219-3840